

PRESS RELEASE

For Immediate Publication

CelcomDigi delivers resilient Q1 FY2024, accelerates integration activities

- *Leading market on 5G adoption with streamlined consumer products and enterprise solutions, delivered on strengthened 5G-ready network*
- *Declares first interim dividend of 3.5 sen per share*

PETALING JAYA, 28 May 2024 – CelcomDigi Berhad (CelcomDigi) today announced its first quarter results for the Financial Year 2024 (Q1 FY2024), highlighting the company's resilient underlying performance as it moved full speed ahead with transformation and integration initiatives.

In the quarter under review, CelcomDigi's underlying Profit After Tax (PAT) improved 50.2% Y-Y to RM482 million, while Service Revenue was at RM2,671 million. The company's focus on providing better value for customers through refreshed 4G and 5G plans and converged offerings led to healthy subscriber growth in Postpaid (+273K, +4.0% Y-Y) and Home & Fibre (+38K, +36% Y-Y), bringing its total subscribers to 20.5 million (+174K Y-Y).

The company declared a first interim dividend of 3.5 sen per share, equivalent to the payout in Q4 FY2023 of RM411 million and in line with its sustainable dividend commitment to shareholders.

Accelerated integration and transformation activities to deliver enhanced customer experience

CelcomDigi has made solid progress on its integration and transformation programmes, especially on network and IT, as well as retail and distribution.

The company is ahead of schedule on its network integration and modernisation programme to build Malaysia's leading digital network, with over 7,200 sites modernised as at end April 2024. These efforts have improved overall network experience – more than 80% of customers in post-consolidation areas have experienced improvements in signal quality and network throughput, delivering average nationwide download speeds at above 67Mbps. The company anticipates that by end June 2024 it will cross the 50% completion mark in seven states, and would have completed the exercise in Penang.

To provide seamless 4G and 5G connectivity services for customers, CelcomDigi has modernised all components of its network, namely RAN, core, and transport with 5G-ready equipment. Currently, almost 90% of the company's sites are 5G-ready, with the aim of completing 5G upgrades in line with the broader nationwide integration efforts. The company's 4G LTE and 4G LTE-A network coverage now stand at 97% and 92% of populated areas nationwide respectively, in line with its commitment to deliver the nation's widest and fastest 4G network, and to support Malaysians' increasing demand for more data.



An expansive IT transformation and integration exercise is currently also underway, driving operational excellence and enabling the company to serve its customers with better digital experience. Capital expenditure (CAPEX) increased to RM318 million in Q1 FY2024, reflecting the company's push to deliver on these network and IT integration milestones.

On the sales and retail front, CelcomDigi has implemented a new cost-efficient distribution model to drive channel growth and reach its consumers more effectively. The company has also begun transforming its retail outlets nationwide to provide a single CelcomDigi brand experience to its customers across all stores.

Leading 5G adoption and 5G network rollout

CelcomDigi continued to drive 5G leadership by streamlining its product portfolios to offer a complete suite of new CelcomDigi Postpaid 5G, Prepaid 5G, and Home & Fibre products. These attractive offers are anchored on best-value 4G/5G plans and converged packages, allowing the company to deliver to Malaysians' growing need for affordable, ultra-fast internet.

The company is also delivering more innovative 5G enterprise solutions to market-leading companies to support their digital transformation agenda. These include partnering with PETRONAS to power the largest and most modern oil and gas platform with 5G, building an integrated digital city in Ampang Jaya powered by 5G, and introducing next-gen digital learning via Metaverse, XR, AI, robotics and 5G to 10 universities under CelcomDigi Metaversity.

CelcomDigi's CEO Datuk Idham Nawawi said, "Our Q1 FY2024 underlying performance was resilient, as we maintained a steady core revenue while sustaining growth on our subscriber base and improving our profitability. In this second year of operation post-merger, our focus is on building strong fundamentals for the future to achieve profitable growth, leveraging technology and competencies. We continue to step up transformation and integration activities on all fronts and remain steadfast in delivering best-in-class customer experiences, powered by a progressive and efficient organisation."

"We are committed to making 5G a success in Malaysia, by driving 5G adoption, providing best-value consumer plans and innovative enterprise solutions, and in building a robust state-of-the-art 5G network on top of our existing nationwide network. We look forward to leading Malaysian enterprises and consumers into a secure 5G-driven connected future, accelerate enterprise digitalisation and innovation, and drive digital economic growth for the nation," he added.

Financial and Operational Highlights

	1Q2024	4Q2023	1Q2023	Q-Q	Y-Y
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Total Revenue	3,154	3,275	3,180	-3.7%	-0.8%
Service Revenue	2,671	2,737	2,703	-2.4%	-1.2%
EBIT	557	798	594	-30.2%	-6.2%
PAT	371	439	321	-15.5%	15.6%
Capex	318	1,010	108	-68.5%	> 100%
Underlying PAT	482	439	321	9.7%	50.2%

- Q1 FY2024 EBIT was RM557 million, at -6.2% Y-Y and -30.2% Q-Q mainly due to one-off severance package cost, leading to an overall increase in OPEX.
- Underlying PAT was RM482 million, at +50.2% Y-Y and +9.7% Q-Q, excluding impact from one-off severance package cost.
- Focus on building more sustainable and quality subscriber base in the mobile segment:
 - Postpaid subscribers were +273K Y-Y and +61K Q-Q in Q1 FY2024, amounting to 6.9 million subscribers, primarily from higher take-up of Family and mid value plans. However, due to interconnect charges, reduced roaming usage attributed to seasonal factors, and lower bulk SMS revenue, Postpaid revenue was RM1,249 million, -2.6% Y-Y and -1.6% Q-Q, while ARPU stood at RM64.
 - Prepaid subscribers were -137K Y-Y and -160K Q-Q in Q1 FY2024, amounting to 13.3 million subscribers, while revenue was RM1,121 million, at -1.5% Y-Y and -2.3% Q-Q, impacted by interconnect charges and reduced rotational one-time SIM acquisitions. ARPU stood at RM28.
- Strong performance across subscribers growth and revenue in the Home & Fibre segment:
 - Subscribers continued to trend upwards, at +38K Y-Y and +13K Q-Q, amounting to 145K subscribers from attractive product offerings and reasonable pricing.
 - Revenue was RM46 million, at +17% Y-Y but -1.0% Q-Q despite subscriber growth mainly due to a one-off reclassification.

Click [here](#) for CelcomDigi's CEO's Reflections and more information on the company's Q1 FY 2024 performance.

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About CelcomDigi

CelcomDigi is Malaysia's largest mobile network operator with more than 20.5 million users on its network. Established on 1 December 2022 from the merger of Celcom and Digi, the company aims to serve the growing digital needs of its customers by leveraging its newly combined widest network footprint, distribution touchpoints, innovative range of digital products and services, and superior customer experience powered by over 3,000 top industry experts. The company has clearly defined ambitions to advance the nation, inspire Malaysian society, and be a leader in inclusion and ESG practices. For more information on CelcomDigi, visit www.celcomdigi.com.

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